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State Senate votes for tax relief, minimum wage measures in an effort to stimulate lagging economy

LANSING – The state Senate voted today on several measures to help provide tax relief and create and retain job opportunities for Michigan residents, said Sen. Beverly Hammerstrom, R-Temperance.

“My colleagues and I worked together today to continue our commitment to help improve Michigan’s lagging economy,” said Hammerstrom. “We have taken a few more steps forward in our efforts to provide relief for Michigan’s struggling families and businesses.”

The Senate passed the Earned Income Tax Credit (EITC), a state tax credit equal to 20 percent of the federal EITC. The credit would be available for tax years beginning after Dec. 31 2007. It would start at 10 percent in 2008 and increase to 20 percent in 2009.

The Senate also:

- Finished work on House Bill 6213 which will save jobs and avert unnecessary costs and burdens when the minimum wage increase takes effect in October. It protects the ability of many employees to work more than 40 hours per week in such industries as retail sales, automotive sales, healthcare and newspapers, among others.
- Passed Senate Bill 1364 to establish a youth minimum wage equal to 85 percent of the current hourly minimum wage. The proposed legislation is designed to provide job opportunities for Michigan’s young workers. There is concern the new higher wage would have a direct and negative impact on thousands of jobs for high school students across the state who are employed in supermarkets, restaurants, movie theaters, golf courses, hotels and retail stores.
- Passed legislation to create a new Merit Award scholarship program that would provide up to \$4,000 for students who complete two years of post-secondary education while maintaining a 2.5 GPA.

“Today we cut taxes for the working poor, stimulated Michigan’s economy, preserved thousands of jobs, created job opportunities for Michigan’s youth and increased funding for college scholarships,” said Senate Majority Leader Ken Sikkema, R-Wyoming. “Earlier this summer, I said that in return for fixing the overtime legislation, I was willing to do things that are good for Michigan’s future. Every one of these bills accomplishes that goal.”

Hammerstrom added: “Michigan is losing in the economic game. We can not afford to keep pushing blame around, we need to act. This legislation will prevent businesses from eliminating jobs and help us work toward our goal of making Michigan a place where businesses and residents want to stay.”

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